

# A REAL LIFE Detective Story Unparalleled by Anything in Fiction.

Just How Chief Wilkie, of the U. S. Secret Service, with Sixteen Detectives, Tracked the Pennsylvania Gang of Counterfeiters.

Like the Great Sherlock Holmes, the Detectives Started Out with No Visible Clue, but by Clever Reasoning, Captured Their Men.



The Principal Characters in the Great Counterfeiting Plot and the Government Officials Who Made the Arrests.

ON New Year's eve in the year 1907 a group of men sat around a table in a small office of the Treasury Building in Washington. The group consisted of two expert engravers, an expert chemist, two Treasury officials and a young man, apparently thirty-two years or thereabouts, slightly bald, wearing a thin moustache and glasses. At a casual glance there was nothing remarkable about him, but a close study revealed the fact that he was a keen observer, quick in perception, and positive in his conclusions. In the center of the table was a microscope, several bottles of chemicals and some silver certificates of large denomination, over which the men leaned in examination, while the younger man looked on.

"It's certainly expert work of the highest character," remarked one of the group as he studied the certificate under the microscope.

"That's apparent on its face," quietly answered the younger man, "but what I want to know is how it was done."

"Some of the old-timers are at it again, Chief, I guess," remarked another of the group.

"Yes," remarked another, "some of your friends have improved their old style of work and will probably get rid of a lot of the stuff before they go abroad."

The chief, who was John E. Wilkie, head of the Secret Service Bureau of the Treasury, smiled at the suggestions of the others and taking one of the notes in his hand said: "You are all wrong. In the first place, these counterfeiters were not made by any of the old-time counterfeiters nor by any old-time methods. The process of turning them out was produced by a combination of photo-etching and hand engraving. This being the case, it would be useless to waste time looking for any 'traces' of the old-time counterfeiters, for we must look for some one who is expert in this new line. The man or men who made these bills were expert engravers, intelligent and fully up-to-date. Under the microscope we can detect eighteen defects, all of which are so infinitesimal as to be beyond the power of the human eye. On the other hand, we find two defects noticeable in the \$100 series 'D' bearing the Monroe vignette. The first of these is the seal of salmon pink which should be carmine. The other and the most noticeable is the quality of the paper which is slightly thicker. The genuine Treasury paper has been heretofore the greatest safeguard against counterfeiting, by reason of the fact that the process of manufacturing is so expensive as to be beyond the reach of any but a wealthy man. The conclusion to be reached by these facts then is, first, the paper used in these counterfeiters is being manufactured by the counterfeiters; second, the photo-etcher and engraver is one of the most expert in his line; third, the mechanical execution on this bill is almost perfect, so the mechanic, like his 'pal,' must be one of the highest of his calling; fourth, the 'gang' in this work has considerable money at its disposal, and unless the game is nipped the country will soon be doctored with the 'queer'."

"I might add," concluded the speaker, "that the Sub-Treasury here and in Philadelphia have already taken several of these notes as genuine, and also that the Secretary of the Treasury has recalled the six series of \$23,000,000 of the \$100 silver certificate. I thank you, gentlemen, for your service. Good night."

In the morning of the day on which this conference was held Chief Wilkie was sitting in his office when he received a summons from Assistant-Secretary of the Treasury Vanderlip. Upon entering his superior's private office he was handed a crisp \$100 bill for examination. For several minutes neither man spoke. The detective turned the note over and over in his hand, examined the letters, the portrait of Monroe, the figures, and then felt the thickness of the paper. Next he examined the coloring on the note, smiled and remarked: "It's a clever piece of work, Mr. Secretary."

"It will be a more clever piece of work to get the men who did it," Chief Wilkie responded Mr. Vanderlip. "That's right," he said, "but I have recalled the entire issue. I sincerely wish you success in locating this plant."

When the Secret Service Chief returned to his own office he was in a study. For a

half hour he re-examined the note, first with his naked eye, then with a microscope. For hours he denied himself to everyone. Then, finally, deciding upon a theory he pushed an electric button: "Send all the men in the office to me," he said to the clerk who responded. When the men had gathered about their chief and the matter explained to them, he said: "The field first to be investigated is New York, Philadelphia, Boston and Chicago. We will report to the respective office of those districts, which will be fully informed as to the case, and make a sys-

tematic search for an expert engraver or engravers who are likely to be engaged in this work. First ascertain and secure a complete list of every establishment engaged in engraving work; then the engraver employed. Learn who are the most expert, and if you hear or discover any unexplained expert engravers watch them, but upon no consideration disturb them. Communicate with me in cipher and advise me of your movements."

"Mr. Burns, you will take charge of the Philadelphia district. You will all leave to-night and begin the investigation at once."

When Secret Service Agent Burns arrived in Philadelphia he reported to the Federal Building and secured the assistance of a half dozen other agents. As the first counterfeit bill had been discovered by Assistant Teller George Cramer, of the Sub-Treasury, it seemed likely to the detective that the field would give promise of substantial developments. Following the instructions of his chief, he made a thorough canvass of the engraving establishments of the city. Weeks of tireless work was devoted to this work without avail. If Burns was discouraged, however, he put on a bold front, and as the men daily reported their failure to find a clue he encouraged them with hope.

January passed and March had progressed well toward the end, when one day Burns learned from an engraver with whom he had become friendly that an expert engraver, who formerly worked for a prominent firm, had gone into business for himself at No. 1005 Walnut street. His name was Arthur Taylor.

That afternoon a stylishly dressed young man applied for lodgings in the building

THE news reports in the last ten days have told odds and ends of facts of the capture of the most extraordinary gang of counterfeiters that ever conspired to rob the Government. The Journal to-day tells for the first time the full story of exactly how the United States Government detectives unravelled the mystery of the counterfeit \$50 and \$100 bills and the bogus cigar stamps.

Starting out with no clue whatever, the Secret Service men, with deductive reasoning worthy of Sherlock Holmes himself, outwitted in real life the marvellous accomplishments of that great detective of fiction.

And I'll look after the other one." About 4 p. m. the "suspects" left their office and, turning up Tenth street, walked to Market street, where they separated. Breidell boarded a car going east, while Taylor continued his journey up Tenth to Race street, then East to Sixth street, where he entered a house. "So that's the bird's cage, is it? Well, we'll have to find out something about you," remarked the shadow.

Meanwhile, the other detective, who had boarded the same car with Breidell, followed him on a ferry boat to Camden, then along Market street, to Third, and up Third until the second "suspect" reached his home.

A cipher dispatched to the main office acquainted the chief that a lead had been found and soon the watchers were each joined by another man. The instructions to both were to make guarded inquiry regarding the suspects. They were to learn where they had been employed, why they had left their positions, their circumstances and everything about them they could.

For a week Breidell and Taylor never made a move day or night that was not known. The other two detectives by guarded inquiry learned that both men had been employed by reputable firms and were among the most expert in their lines. Taylor as an engraver earned \$50 a week while Breidell as a mechanic and transferer stood at the top of his calling. Both men left their positions without cause. A significant fact learned was that a few months after they had gone into business for themselves, they began to wear diamonds and dress faultlessly.

Meanwhile the office on Walnut street was under constant surveillance. Two weeks passed without incident. On Monday morning of the third week a wagon drove up in front of No. 1005 Walnut street and the driver and his assistant began loading the silver and his assistant began loading the silver with wrapped packages and other goods. From the office of Taylor & Breidell, when all the stuff had been put on the wagon it was carted up Tenth street to Fifth street, east to No. 830 Fifth street, and carried up to the top floor. A young fellow, who looked like a clerk in one of the department stores and who watched the proceedings, remarked to himself: "The 'coveys' are evidently getting ready to begin work."

## JACOBS—"THE BRAINS."

WILLIAM M. JACOBS, the organizer and brains of the gang, stands revealed as a genius unmatched by any counterfeiter who has ever come under the eye of the Government Secret Service.

As the owner of a cigar factory at Lancaster, Pa., it occurred to him that a magnificent margin of profit could be added to his business if he could avoid paying the Government revenue tax of \$3.60 for every thousand cigars manufactured.

JACOBS hired Taylor and Breidell, two young and ambitious engravers, and set them at work engraving counterfeit cigar stamps. Jacobs saw that as a natural development of his scheme he could make money faster by having his engravers counterfeit Government bills also. He then set them to work making \$50 and \$100 counterfeit bills.

To get the proper paper for counterfeit bills Jacobs split in halves Government \$1 bills, bleached the printed sides, and pasted them together again, turning the insides out.

JACOBS hired a local Deputy Revenue Collector to inform him of any Government suspicions. Jacobs hired the United States District Attorney and his assistant to provide himself with the best legal advice. Jacobs had prepared to increase his counterfeit business to such an extent that he was about to start a special paper mill of his own for the issue of \$10,000,000 of counterfeit bills.

JACOBS' final triumph of genius was to hire the cashier of one of the United States Sub-Treasuries to accept his big bills and give him miscellaneous small bills in exchange, thus saving him all bother and danger of floating his bogus currency.

The news of the day. During the run to Lancaster Taylor left his seat but once, going to the rear of the car for a drink. He carried the grip along and never left it from within his grasp. Arriving at Lancaster Taylor left the train, going out the front door, while the gentleman who occupied the next seat left by the rear door. After winding through several side streets, Taylor arrived at Queen and Grant streets and entered the big cigar factory of William M. Jacobs. For two hours his fellow passengers on the train waited for him to reappear. At last he came out and walked to the depot. Before the train started a message flashed over the wires to Philadelphia, and when Taylor alighted from the train at Broad street station another detective took up the trail. That night two travelling salesmen arrived at Lancaster and stopped at the same hotel where the Secret Service detective had registered. The next day all three left the hotel.

Days passed into weeks, weeks into months, until January of this year arrived. Meanwhile Taylor and Breidell were actively at work in their little office on the top floor of No. 830 Fifth street. Day in and day out their actions were followed. Meanwhile the detectives in Lancaster never allowed Mr. Jacobs or William L. Kendig, his partner, to escape their eye. Among the acquaintances formed by the detectives in the town was James Burns, an ex-policeman, who worked for Jacobs. Burns, who was fond of his nip, became quite chummy with his newly made friends and for hours at night they would sit around the old tavern smoking and spinning yarns. From remarks dropped by the ex-policeman the detectives learned that Jacobs' factory turned out from a

The Chief was busy on another lead. Confident that he had the counterfeiting end of the plot in hand he turned his attention to the forgers of the revenue stamps. How did Jacobs secure the paper and the water mark U. S. L. R.? Where was the factory? How much paper had he? To answer these questions meant to begin all over again on a new line. Every paper mill in the country came under the scope of investigation. Finally, after weeks of search, a small paper mill in Maryland was located as the place. The proprietor blandly informed the detectives that he was manufacturing the paper for a patent medicine man in Philadelphia, who was particularly about the water mark U. S. L. R., which stood for "Uncle Sam's Indian Remedy." The innocent victim in the conspiracy added that he had delivered tens of thousands of the paper.

Again the trap was set ready to spring when another phase of the case developed. The conspirators evidently began to grow suspicious that they were watched, for they began to take precautions. It then began to dawn upon Jacobs that some safeguard should be thrown about the gang in case the Secret Service Bureau did begin an investigation. But how to go about it? Then a bold idea takes possession of the arch conspirator. He would employ a Secret Service agent and also an internal revenue collector. The last named was easy. He secured Samuel B. Downey, the deputy collector at Lancaster, for \$1,500, but to reach the Secret Service Bureau was a tough job to tackle. Another bold thought entered his fertile brain. He knew ex-U. S. District-Attorney Ellery P. Ingham in Philadelphia. He would see "him." After developments proved that he did and that the matter was referred to Harvey K. Newitt, ex-Assistant U. S. District-Attorney, Secret Service Agent McManus was sent for and offered a handsome sum if he would keep Jacobs posted on the movements of the Government detectives. As a guarantee, \$500 in cash in offered him, and he accepts. The contract is made and the hour safe.

An hour later Detective McManus is seated with his chief. He has told him the story of the bribery, turns over the \$500 and is instructed to keep in touch with the bribers.

At this stage United States Commissioner Edmunds and United States District Attorney Beck are taken into the game. Warrants for the entire gang are issued and preparations made to gather up the entire outfit at once.

By means of the key in his possession Chief Wilkie who went to Lancaster, entered the cigar factory about 6:30 o'clock in the morning with half a dozen men. Taking possession of the office, they secured themselves until 8 o'clock, when a key was heard in the door. A half dozen revolvers jumped from concealment. The next minute Jacobs and Kendig faced them. "You are under arrest, gentlemen," remarked Chief Wilkie as he slipped handcuffs on both men. Burns came sauntering in a few minutes later, and seeing one of his old tavern chums, said: "Hello, Jack." When told he was under arrest he collapsed.

Meanwhile Detectives Burns and Murphy had arrested Taylor and Breidell in their Fifth street workshop, and Detective McManus had taken Newitt into custody. The arrest of Deputy Internal Revenue Collector Downey followed two days later and on Tuesday Ingham was arrested in his office by Chief Wilkie. In one sweep the greatest counterfeiting gang known in criminal history was scooped. The counterfeiters were placed under bail aggregating \$150,000.

In the factory at Lancaster the detectives found:

Face and back, Monroe head, \$100 silver certificate; face and back, Everett head, \$50 silver certificate; partly finished back and face, \$100 Lincoln head Treasury note; unfinished face and back \$20 silver certificate; three ten-stamp 50-cigar plates, and other incidentals, including a very fine 10 press in a pressure press there were under pressure about 3,000 sheets of spurious revenue stamps and in a box in a corner were getting clothes and layers of cloth and paper for engraving. On the same floor, but outside, there were twenty-seven cases in which left rollers had been stored. These cases are from three and a half to four feet square and were filled with the tools of the engravers' tools.

Incidentally, Mr. Burns picked up a key which bore the label of Jacobs' factory in Lancaster. Not a thing was disturbed. Chief Wilkie was acquainted with the discovery and issued orders to keep the men under surveillance, but not to disturb them.